



May 13, 1997

Steve McLellan, Secretary
[Washington Utilities and Transportation Commission](#)
1300 Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504-7250

SUBJECT: Docket #UE-970685, Puget Sound Energy Implementation of Schedule 83

Dear Mr. McLellan:

As a member of the Puget Sound Energy's (PSE) Conservation Collaborative and as a representative of the Energy Policy Division of Washington's Department of Community, Trade and Economic Development I would like to offer comments on PSE's conservation program highlights. Additionally, I would like to share some concerns that this filing represents a dwindling commitment to conservation as a valuable economic resource for Washington's citizens, businesses and industries.

PSE has included several conservation efforts that are worth special mention. I am very pleased that the company has demonstrated a willingness to lead the state in its support for state energy building codes. PSE's program that provides technical support to building officials and inspectors represents a well-targeted information program.

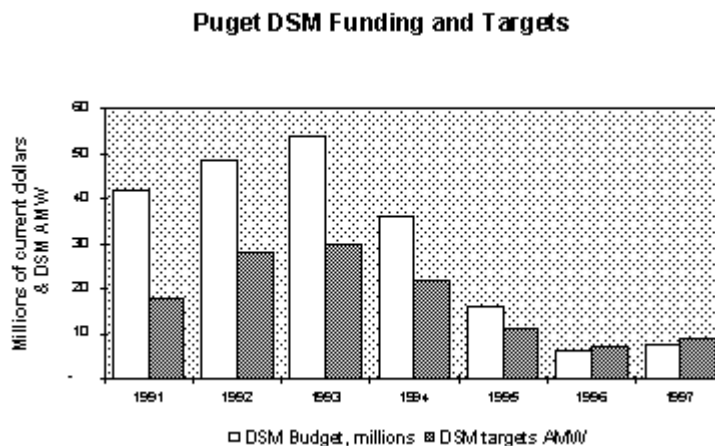
The company has committed funding to secure 300 energy efficient clothes washers in addition to those funded by the Northwest Energy Efficiency Alliance (NEEA). PSE's expenditure for washers represents some very strategic leveraging. Domestic manufacturers are bringing qualifying products to the market this year and need to receive a strong market signal from consumers to produce more. Meanwhile, the USDOE is analyzing the clothes washer industry in order to determine new federal energy efficiency standards this year. Promoting energy efficient clothes washers in 1997 and 1998 will create useful efficiency targets and provide real cost data to assist USDOE in setting new standards for these products.

The company has committed to support five school districts with Resource Conservation Managers. I would encourage the company to develop a long-term conservation strategy with respect to all school districts in their service territory: provide the tools or a guaranteed savings plan so that the schools can effectively manage the maintenance and operations of their facilities. Simultaneously, the company could link a curriculum program to those schools with RCM's in the district to reinforce actions taking place in the school and to bring that knowledge and ability home.

The company has also made a significant commitment to NEEA. To date, NEEA has funded valuable programs for the industrial, commercial and residential classes. NEEA needs Board

members with the ability to both discern the potential in energy efficient market transformation ventures and to support those ventures. The company's representative to NEEA's Board could play a very critical role and could increase the likelihood that NEEA achieves its goals of implementing cost-effective conservation that is commensurate with its budget.

Despite these promising programs, the company's filing, considered in a broader context, presents a troubling picture. It would appear that the potential for retail power competition has been accompanied by a desire to drastically reduce, if not eliminate, the acquisition of cost-effective conservation. The graph below provides a summary of PSE's budgets and conservation targets for the last seven years. Some of the reduced efforts are justified by dramatic drops in avoided costs. However, even with reduced avoided costs, I am concerned that the company is forgoing conservation opportunities that are cheaper than its avoided cost. I appreciate that we do not yet have a statewide funding mechanism for financing conservation and that we have an electricity industry in a state of transition. However, our current industry structure should encourage utilities to secure conservation that is cheaper than their avoided costs.



I support the proposed PSE Electric Conservation Tariff as an interim portfolio of programs that delivers efficiency savings and maintains a conservation infrastructure. I welcome the Commission to direct the company and willing parties to work over the next ninety days to firm up the details on their program for high-bill duplex units consider the results of their analysis for a refrigerator program and expand their program to capture additional cost-effective conservation opportunities.

Thank you for supporting the Conservation Collaborative and providing the opportunity to provide input to the Collaborative and directly to you, the Commissioners.

Sincerely,

Elizabeth Klumpp
Energy Policy Specialist

cc: Wes Hoppler, PSE
George Pohndorf, PSE
Deborah Stephens, WUTC